

SECRET

Approved For Release 2004/05/13 : CIA-RDP91M00696R000700130007-9 and shortened version of "The Production of Finished Intelligence Within the Community", 6/27.

R. Lehman
15 July 1975

Paper 5A2

Issues

I. The membership and functions of USIB. Papers 3 and 5A1 discussed some of the anomalies in the present makeup of USIB. This is not strictly a production question, but should be briefly addressed here if discussion of the production issues is to make sense. The options would appear to be:

A. Enlarge USIB's membership and scope to include all the players and management problems for US intelligence.

B. Leave it as it is.

C. Divide it into a collection board and production board, with appropriate membership.

D. Eliminate it, at least as in its production role, giving the DCI line authority for national intelligence support to the President and the NSC.

The DCI's position as production manager would appear to be the same under Options A, B, and C, although it would be somewhat more complicated by his other duties, under Option A than at present, and considerably less so under Option C. We have therefore transferred discussions of the production aspects of this question to Issue II, where variants of the USIB or production Board arrangement show up as Option II A-D, and Option ID becomes II E.

SECRET

SECRET

Discussion of other aspects of USIB organization will come at appropriate points later in the study.

Henceforth, we assume the primary production members of USIB, or of a national intelligence production board, to be CIA, DIA, and State/INR. We recognize the contribution made by the Service intelligence agencies and therefore would include them as observers as long as their status relative to DIA is unchanged. We believe, however, that Treasury is more a consumer than a producer of intelligence and would therefore make it only an observer in a production board.

NSA presents a special problem for a production board. National intelligence is all-source, and NSA is one-source. Occasionally, for operational use or for highly specialized analysis problems, NSA's product can stand by itself, but NSA has neither the analytic resources nor the access to information that would put it in a class with the three primary producers. On the other hand NSA is more than a collector and processor; in this its situation is not unlike that of NRO/NPIC. The traditional view of the producing analysts has always been "just give us the facts. NSA will diagram the nets. NPIC will count the trucks and buildings. We will integrate these into a national product." Under budgetary pressure, however,

SECRET

SECRET

and faced with ever-larger amounts of data, the analysts have given way, and are in fact looking for help. They are now encouraging NSA and NPIC to go much deeper into such subjects as order-of-battle, ^{RESERVING} ~~leaving~~ for themselves only the final ^{AL} ~~A~~ aggregation and analytic interpretation. Moreover, they now recognize that an NSA analyst develops a feel for his source that enables him in a fact-moving and complex situation to draw useful intuitive conclusions that are beyond the competence of the analyst farther removed from the traffic. For these reasons we recommend that NSA too be an observer to a production board ~~and~~ ~~that~~ perhaps the contribution of the photointerpreter ~~could~~ be similarly recognized.

II. The DCI as Production Manager. We have already noted that the DCI is better equipped to handle this job than any other.

His statutory powers include the Act of 1947, which is more explicit on the "Correlation and Evaluation" of intelligence than on any of his other duties, and the President's letter of 1971, which makes USIB advisory to him. More important than either of these, however, is his de facto position as Presidential adviser: he has some access to the President and he represents the intelligence apparatus on the NSC and participates in all its

SECRET

SECRET

subcommittees. While he accepts and encourages dissents, he nonetheless himself gives the briefings to these bodies, and he controls the estimates and major current intelligence publications that serve their membership.

If the DCI is in fact so well in control of production, why consider changes? One answer is that the major structural changes we are considering are not primarily directed at production, but can affect it a great deal. The existing strengths of the production system must not be lost. Another is that because production is handled better than other intelligence matters does not mean that it is handled well. There are major problems between the DCI and the DOD, and lesser ones in regard to NSA. The NIO system has solved many problems but created others.

The structural changes we are considering in the first instance concern the DCI's three roles.

Option A. No changes. The DCI retains his present powers and continues simultaneously as Presidential adviser, head of the Community and DCIA.

Pros:

- No disruption
- Continuation of a working production system

Cons:

- Maintaining this structure means no job other than production is done well.

SECRET

SECRET

--The system is frozen

--The DCI has a powerful public image that is not support in fact.

--His responsibilities to Congress are confused.

Option B. The DCI continues as Presidential adviser, and as Chairman of USIB, with a separate DCIA. Option B has three variants: the DCI has a small staff responsible only for production review; a somewhat larger one responsible for production only for the NSC and its sub-Committees; the full production components of the DDI and DDS&T, (in which case DCIA probably does not belong to a production board, but might chair a collection one).

Pros:

--The DCIA is separated from the DCI as Presidential adviser, and hence appears less powerful.

--Under the second variant a small elite staff could provide a rather special policy-oriented product. Problems of feed-back and of access to policy information would be minimized.

--Under variants 2 and 3 the DCI is able to concentrate his attention on his primary job.

--Under all hree variants product review, collection management, and resource review are under the same control and hence can work in a coordinated manner.

-5-
SECRET

SECRET

--The possibly divergent interests of "central intelligence: and of CIA are recognized.

Cons:

- Under variant 2 another intelligence production organization is created which can be at odds with the present ones.
- Under variant 1, the DCI has no tools for effective substantive leadership.
- Under variant 3, the DDI etc. is put in a superior position which, regardless of statute, might create additional problems with the other agencies.

Option C. The DCI serves only as Presidential adviser. The DCIA serves as Chairman of USIB, or of a production board, and is the substantive intelligence officer on the NSC. There are two variants: the DCI out of the production business entirely; the DCI with responsibility for product review and the staff to do it.

Pros:

- the DCI is taken completely out of the public line of fire.
- He can concentrate on management problems and, being in the White House, can most easily exercise budgetary control.

-6-
SECRET

SECRET

Cons:

--He does not have sufficient control of product to exercise properly the three inter-related elements of control.

--In variant 1 he has two sides of the control triangle but not the third.

Option D. Each of the three DCI's is a separate officer. Variants: the DCI reviews product and has a staff for it, Chairman USIB controls CIA production and sits in the NSC, (and DCIA is not in the production act); the DCI is not involved in product at all, Chairman USIB controls CIA production, and reviews product, etc; Chairman USIB has a product review staff only, and DCIA is very much a member and sits on the NSC.

Pros:

--Further diffusion of DCI power

--Maximum managerial attention at each level

Cons:

--Cumbersome

--Fragmentation of controls

Option E. The DCI has line authority over the production elements of CIA and line responsibility for national intelligence support of the NSC and its supporting structure. (Note that this is not the DNI concept.)

SECRET

Pros:

- Maximum flexibility
- Maximum control for DCI over production structure.

Cons:

- Public image frightening
- Exclusion of legitimate military and State interests.

SECRET

SECRET

An additional question that must be considered under this issue is the disposition of the NIO's. They were established as senior regional or functional staff officers for the DCI, bridging across collection and production and absorbing the responsibilities for overseeing the production of national intelligence ^{PREVIOUSLY} ~~primarily~~ held by the Board of National Estimates. In practice, however, they have been far more active in production than in collection, a situation that reflects quite accurately the DCI's relative influence in these fields. In practice too they have found in most cases that the production they are overseeing is primarily that of CIA. To the extent these tendencies hold true ^{the NIOs} ~~they~~ represent not a coordinating mechanism but an alternate--and confusing--chain of command between the DCI and the production elements of CIA.

We believe a DCI or Chairman of a production board, under ^{those} ~~the variants listed above under Issue II~~ that give him a role in production or in product review, needs at least a small staff with many of the functions of the present NIO's. We agree, however, that if it is decided to return to the letter of the Act of 1947 by making CIA the DCI's staff for "correlation and evaluation", then the NIO's should be absorbed into the CIA line structure.

SECRET

III. The Role of DIA, ^{AJG6} Becomes the DOD's weight in the national intelligence structure is ~~generally~~ so great, the DCI's strong influence over production is increasingly undercut. The Secretary of Defense also sits in the NSC and his Deputy in its sub-Committees. Moreover through him and through the JCS ^{RC} ~~their~~ exist channels whereby intelligence can reach the national authorities by-passing the DCI altogether.

Two related problems illustrate this point. The military adhere to the concept of the National Command Authority, a chain^N of command extending from the President through the Secretary of Defense to the Chairman, JCS, and they hold that "military intelligence" has no responsibility for support of senior government~~a~~ officials outside that chain^N. This view is of course valid when it comes to Presidential authority over the armed forces, or to the conduct of military affairs in wartime. It bears little relation, however, to the reality of national security policy-making in conditions short of general war. Here every decision has political and often economic dimensions as well as military ones, and depends heavily on objective intelligence that incorporates all aspects of the problems at hand. This reality is reflected in the membership of the NSC and its sub-Committees, and particularly in the flow of intelligence through the

-10-
-2-
SECRET

~~SECRET~~

DCI to those bodies.

The DOD is in the process of expanding the National Military Command Center and incorporating within it a large National Military Intelligence Center that is to have collection guidance as well as production functions. The NMIC is designed to support the National Command Authorities, and the DOD sees it as playing the central role in national "crisis management". Such an arrangement would have the effect of excluding the civilian authorities and independent intelligence from Presidential consideration of policy, not only in general war but in a broad range of politico-military crises. When does a situation become a crisis? At what point in a crisis does the military security of the nation override political considerations? And how can such a system be effective in crisis if it is not functioning effectively when no crisis exists? Thus the NMIC concept, intentionally or not, has the potential for sharply reducing the DCI's influence on intelligence support to the national authorities in favor of the military.

Another major production problem is the dual mission of DIA. It is responsible for support both of the Secretary of Defense and his Office and of the Joint Chiefs and their field commanders. The requirements of these two set of customers are not the same, and they add up

- 11 -

68-

~~SECRET~~

SECRET

to considerably more than DIA can accomplish. The Secretary is clearly not ^{RV}severed to his satisfaction, and we doubt that the JCS and the CINC's are satisfied either. In his dealings with the DCI the Director, DIA represents two masters; his efforts to serve the national authorities are often undercut by the necessity that he look downwind ^{PR}and to the field commander as well as upward to the NSC.

An independent national intelligence system could not survive full implementation of the NMIC concept as it now stands. The usual Option A, leave things as they are, is therefore not acceptable. Nor is it sensible to oppose the creation of NMIC entirely. As a mechanism ^{Focusing}for military intelligence requirements and for supporting the JCS and the CINC's it meets long-established needs. The problem is rather how to make it compatible with the DCI's interests and fit it into the real decision-making machinery. Two possibilities suggest themselves:

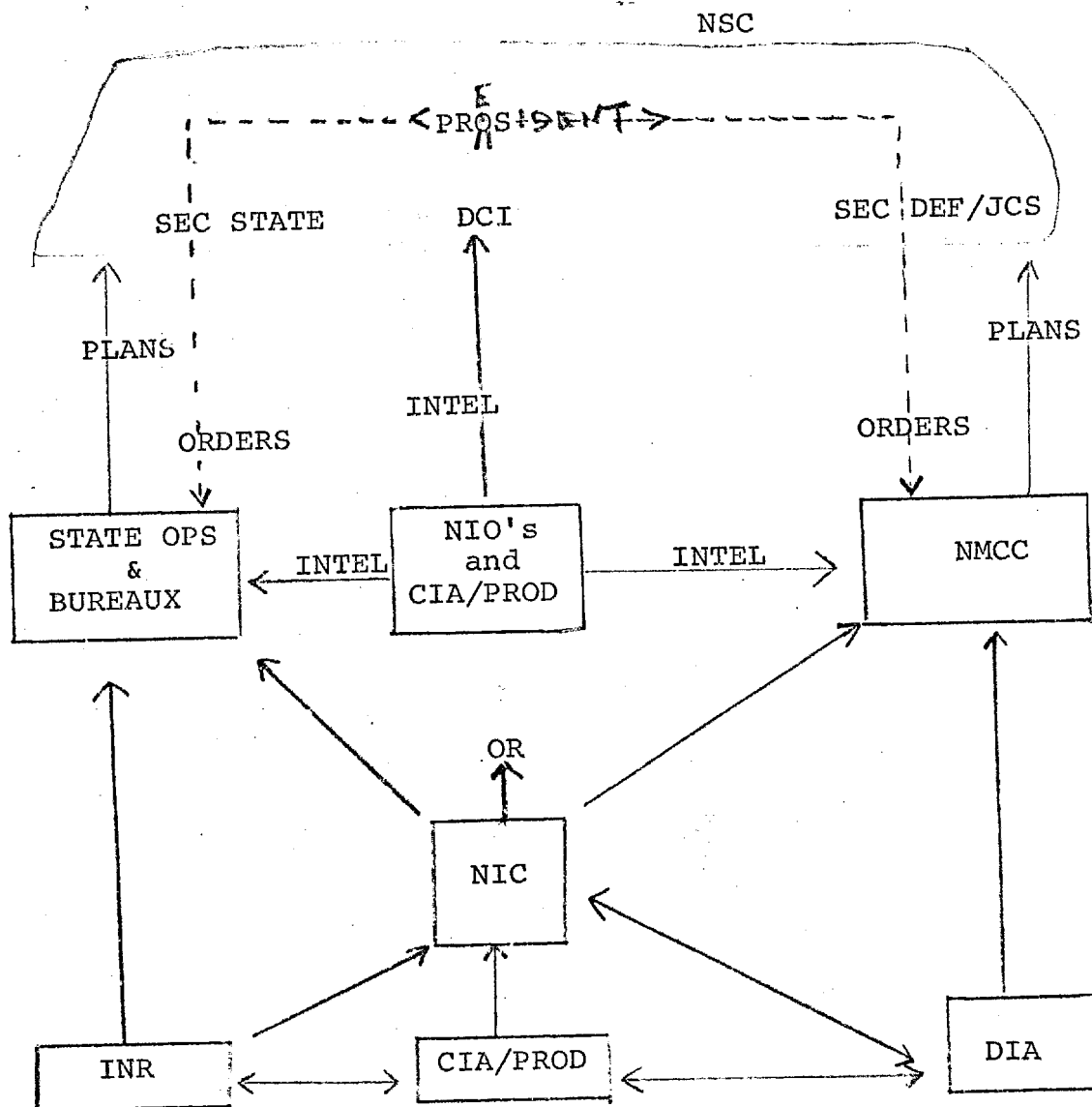
Option B. Redefine the relationship between the NMCC and the President to recognize the advisory role of the NSC, and the operational role of the Secretary of State, ^{NATIONAL SECURITY DECISION-MAKING.} Under this concept possible military courses of action (perhaps including intelligence backup) and military operational reporting ~~perhaps~~ would pass not only up the NCA chain, but to SecState and DCI as well. Diplomatic options and operational reporting would pass from State to SecDef and DCI. The DCI that is responsible

- 12 -

SECRET

SECRET

for intelligence production would provide independent intelligence assessment and reporting to the President and both Secretaries. The President's military decisions would pass down the NCA channel, his political ones down the State. This arrangement might ultimately lead to the creation of a National Intelligence Center under the DCI. Thus:



SECRET

Pros:

- DCI's position as Presidential adviser is protected.
- Reflects actual crisis management arrangements
- Preserves existing military relationships, hence acceptable to DOD.
- Provides a basis for a stronger DCI role in collection management.

Cons:

- Does not provide any fundamental improvement in complex DCI-SecDef relationships
- Permits multiple, overlapping and duplicative intelligence inputs to NSC.
- Does not resolve divergent responsibilities of DIA.

Option C: Disconnect the SecDef from DIA and connect him to the DCI, as national intelligence producer, leaving DIA responsible only to the JCS. This more radical approach in fact is based on the DCI's statutory responsibility to the SecDef as a member of the NSC. The DCI would remain subordinate to the NSC and DIA would continue to represent the military voice in the Community structure.

SECRET

SECRET

Pros:

- Increases DCI's general authority in an unobstrusive way.
- Gives him more weight in regard to national intelligence programs conducted by the military
- Provides better service to SecDef
- Enables tactical requirements to be more clearly stated in national councils.

Cons:

- would doubtless draw much resistance in DOD.
- raises possibility of SecDef and JCS receiving contrary advice (but is this necessarily a con?)
- might require additional analyst resources in CIA.

IV. Secondary Problems

A. The role of INR. The "normal" CIA-NSC, CIA-Sec State, and INR-SecState relationships are at present ~~badly~~ ^{ORT} disturbed by the power and bureaucratic position of Henry Kissinger and the personal relationship between him and Bill Hyland. Prior to Hyland's appointment to INR, State was on the verge of eliminating INR as an

22-9

-15-

SECRET

SECRET

intelligence production organization (but not as its voice in other intelligence matters). CIA took the position that it preferred a strong INR as a counterbalance to DIA in the production field and as a potentially useful national analytic center; if INR were to be abolished, however, CIA could perform most of its intelligence support functions for the Department at a considerable savings in total positions. The question is secondary because it has no major implications for the management of intelligence, but note that acquiring the Sec State as a client would strengthen the DCI and would be parallel to Option II C above.

B. Sharing of Intelligence Information. Although the Act of 1947 and all its implementing directives have required that intelligence agencies furnish the DCI all available intelligence "relating to the national security", he has not had the power to enforce them. ~~Not usually~~ ~~Of course~~, he has had the least success with the most sensitive, and often the most useful or critical, information. Among the reasons cited for denying him are: Foreign Service reporting is not intelligence (State); the information is operational, not national (Navy); the information can be furnished to the DCI, but not to CIA (NSA); White House orders (^avarious). The extent of these restrictions varies with events and personalities. In most cases they are not crippling, but in a

- 16 -

SECRET

few national intelligence support of the NSC has been seriously handicapped. In general, the stronger the DCI the less important this problem becomes. In particular, the more he is seen as a Presidential staff officer and the less as the head of a medium-sized independent agency, the more likely he is to get a favorable response.

C. Feedback. This encompasses two problems, consumer assessment of the intelligence product and the flow of policy information the intelligence analyst needs to answer the right questions. NSCIC was established to solve the first, and much lip-service has been paid the second. In fact, however, those who established NSCIC never took it seriously, and the critiques attempted in its name tended to be assessments of professionals by amateurs. The DCI has from time to time been able to get some policy feedback, but only on condition he not pass it to his ^{own} organization. There is no clear solution to this problem, any more than ^{to} the "sharing" problem, but the same considerations apply. The more centrally located the DCI, the more success he will have.

D. The Service Intelligence Agencies. To some these agencies appear to be vestigial^{AL} and duplicative, but they do useful work that contributes to national intelligence. As long as this work is done, whether

SECRET

they continue or not would appear to be a departmental problem, not a national one. If DIA were realigned under the JCS, as suggested^{EST} in III C, the DOD might want to re-examine this problem.

E Duplication.

Most surveys of US intelligence tend to take a swing at "duplication" without distinguishing between that which exists between competing analytic centers and that which exists between national and departmental agencies. We believe that the first of these is well worth the resources, if they are concentrated on central national problems of high priority and great difficulty. We are less convinced of the need for the second; departmental needs tend to be exaggerated, and can in many cases be met from national product. There's no need, for instance, for every agency to have a current intelligence and briefing shop, each using the same materials.

F

F. POSSIBLE SECTION ON ECONOMIC INTELLIGENCE?

210-

-18-

SECRET